

# FISCAL NOTE

## HB 477 - SB 851

February 20, 1997

**SUMMARY OF BILL:** Increases the formula used in calculating a Group I member's retirement allowance by substituting 1.5% with 1.6%.

### ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$68,191,000 Annual Amortized Cost  
Increase Local Govt. Expenditures\* - \$17,451,000 Annual Amortized Cost  
\$14,980,000/Permissive Annual Amortized Cost  
Other Fiscal Impact - Increase Federal / Other Expenditures - \$9,157,500  
Annual  
Amortized Cost

Estimate above assumes:

- Total lump sum liability to state government of \$965,250,000
- Total lump sum liability for local government employees of \$142,470,000 which is optional
- Annual amortized cost assumes a 20-year amortization of the lump sum liability
- K-12 teachers with a 70%-30% ratio between state and local funding

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director